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Jurado, Ignacio ; León, Sandra ; Walter, Stefanie

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European Preferences for Brexit: Evidence from a conjoint experiment in Germany and Spain

Ignacio Jurado
Ignacio.jurado@york.ac.uk
(University of York)

Sandra León
Sandra.leon@york.ac.uk
(University of York)

Stefanie Walter
walter@ipz.uzh.ch
(University of Zurich)

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1. Introduction

The Brexit negotiations present an enormous challenge to the remaining member states and the EU. They need to respond to UK's wish to leave the EU, but to remain closely connected and to continue to enjoy many of the benefits of membership but without the obligations. The negotiation process has been led by a small team of people. Nonetheless, because Brexit is a highly politicized issue not just in the UK but also in the remaining member states, it will be difficult for the EU and the remaining member states to conclude negotiations with a compromise that is not supported by the European public, especially in a context where the European public is increasingly euroskeptic (Hobolt and de Vries 2016; De Vries 2018). Hence, it is important to understand what Europeans think of Brexit and how their position vis a vis the Brexit negotiation is adopted. Yet, research on the EU-UK negotiations has only just begun (e.g., Bulmer and Quaglia 2018) and, while there is a established literature on Brexit-related public opinion in the UK (Curtice 2018; Hobolt and Leeper 2017; Richards and Heath 2017), we know very little about what the wider public in the EU-27 thinks about Brexit.

This paper contributes to a better understanding of the European preferences for Brexit, in particular, and of the mass based disintegration processes more generally. Any disintegration process involves a decision by the remaining states between adopting an accommodating or a non-accommodating strategy. States that remain within the international organization can decide to either accommodate the demands of the leaving country, by preserving some of the benefits of cooperation, or to not accommodate the demands and make the exit disadvantageous. These strategies, however, are not costless. An accommodating strategy might increase the incentives of other countries to leave the international organization or terminate the international arrangements in the future, while a non-accommodating strategy can be mutually harmful in the short term for both the leaving and remaining parts.

Using original data from a survey conducted in Germany and Spain in December 2017, we shed light on this issue. In particular, we answer to three questions. First, we study what is Europeans' preferred EU-27 Brexit negotiation strategy, who wants a softer or a harder line and which are their main motivations. We find that Europhiles (citizens that support the EU) hold a harder line in the Brexit negotiation and prefer not to accommodate the British demands, as their main goal is that other countries do not leave in the future. Conversely, euroskeptic citizens hold a softer line and accommodate the British demands. Secondly, we analyze how do Europeans deal with the trade-off between limiting the fallout from disintegration by maintaining far-reaching links with the UK (accommodation) and disincentivizing additional member states from leaving by making exit unpleasant for the UK (non-accommodation). Thirdly, the final Brexit agreement will be a multidimensional deal. In some issues there are benefits of preserving cooperation (*cooperation issues*), while in others it will be costly to accommodate (*zero-sum issues*) and each negotiating party has more incentives to push through the most favorable outcome for itself. By using a conjoint experiment, we analyze what does the accommodation dilemma mean for different Brexit "deals" and for different types of voters. We show that Europhile citizens face a dilemma to accommodate on the issues where preserving cooperation is beneficial, while euroskeptic voters face a dilemma not to accommodate on the zero-sum issues, where making Brexit costly for the UK can be beneficial for remaining countries.

The paper proceeds as follows. In section two we present our theoretical framework and introduce the concepts of ac. In section three we present our empirical strategy, data and main variables of interest of interest. Section four presents the results, and section five concludes.

2. Theory

EU-27 options for the Brexit negotiations

We understand the Brexit negotiations as negotiations about the future distribution of benefits from EU membership that it will be able to continue to enjoy and the costs of EU membership that the UK will have to continue to bear. EU membership creates both costs and benefits for its members. The costs include not just financial obligations (such as yearly payments into the EU budget), but also the compromises and the limits on national sovereignty that international cooperation requires. The benefits include the aggregate gains from EU-wide cooperation, such as the single market or joint EU programs and initiatives, but also more tangible benefits such as EU subsidies. For most EU member states, the costs are outweighed by the benefits of EU membership confers – otherwise sovereign states would not join an international institution (e.g., Abbott and Snidal 1998; Gruber 2000; Keohane 1984).

The 2016 Brexit referendum can be interpreted as a mandate for the British government to recalibrate the cost-benefit ratio in UK-EU relations. The Brexit negotiations thus seek to establish a new institutional arrangement that rebalances the costs and benefits of cooperation with the EU for the UK. Thinking about the Brexit negotiation outcomes along those terms, we can conceptualize all possible negotiation outcomes and the associated EU negotiation strategies as falling into one of the fields of a 2x2 table that distinguishes between outcomes based on whether or not the UK continues to pay the costs and enjoy the benefits of EU benefits, as illustrated in table 1.

Table 1: Possible EU negotiation strategies

	UK keeps benefits	UK loses benefits
UK does not pay costs	<i>accommodating</i>	<i>somewhat non-accommodating</i>
UK continues to pay costs	<i>somewhat accommodating</i>	<i>non-accommodating</i>

In a first possible negotiation outcome the UK continues to enjoy the benefits of EU membership, but does not have to bear the costs. This would mean, for example, that the UK retains its privileged access to the single market (and vice versa) and membership in EU programs, but no longer contributes to the EU budget, no longer is subject to EU rules, and is able to restrict Europeans' access to the UK through an independent immigration policy. This is, of course, the ideal Brexit negotiation outcome for the UK. We refer to an EU-27 negotiation strategy in support of such an outcome an *accommodating* negotiation line. This contrasts with an outcome in which the UK loses the benefits that EU membership provides, but continues to bear at least some of the costs. An example for such a scenario where the UK loses all privileged access to the single market and EU programs, but is obliged to money (an "exit fee") to the EU and would be forced to safeguard the rights of EU citizens already residing in the UK. This is clearly the worst outcome for the UK. We label an EU-27 negotiation position in support of this outcome a *non-accommodating* negotiation line. Both the accommodating and the non-accommodating negotiation line are extremes. It seems more realistic that the negotiation outcome will be somewhere in between, such as one in which the UK either both retains some benefits of EU membership but also continues to bear the costs (a "*somewhat accommodating*" EU-27 negotiation line, the preferred EU-27 outcome), or one in which it opts to lose most of the benefits but also will not carry much of the costs (a "*somewhat non-accommodating*" negotiation line).

Choosing among bad options: Trade-Offs in the Brexit negotiations and preferred negotiation strategies

How do Europeans in the remaining member states between these negotiation strategies? It is a difficult choice, because none of these outcomes tends to be better for the EU-27 than the status quo (British EU membership). It is thus a choice among bad options, that confront Europeans with a number of trade-offs.

Allowing the UK to retain the benefits of EU membership, for example by granting the UK continued unlimited access to the EU's single market has advantages and disadvantages for the EU-27. On the positive side, it maintains existing economic ties and preserves the existing cooperative arrangements. This is no small issue, because denying the UK such access will not only be detrimental to the UK economy, but will also lead to substantial costs across the remaining member states. It is estimated that overall, between 0.6% and 2.6% of EU-27 GDP would be at risk in such a scenario, commonly referred to as "hard Brexit" (Chen et al. 2017; Emerson et al. 2017). However, allowing the UK to continue to enjoy the benefits of EU cooperation also comes with risks to the remaining EU-27 member states because it sets a precedent that the benefits of EU membership are not limited to EU members. Such an outcome may thus risk jeopardizing the entire European project in the long run by creating incentives for other countries to defect as well.

Likewise, insisting that the UK continue to pay the cost of close cooperation with the EU has advantages and disadvantages. In terms of contributions, the obvious advantage is that the UK's contributions to the EU budget are an important source of revenue. Because the UK is a net payer into the EU, all remaining member states would be negatively affected by a loss of this revenue: net payers would have to contribute more in the future, and net recipients would see their payments cut. In terms of free movement of people, which many in the UK regard as one of the key costs of EU membership (Clarke, Goodwin, and Whiteley 2017; Goodwin and Milazzo 2017; Owen and Walter 2017), insisting that the UK adhere to the principles of free movement directly benefits Europeans who live in the UK, who have family members in the UK, or who plan to move to the UK in the future. More generally, the costs of cooperation are costs in terms of national sovereignty. The willingness to compromise and the acceptance of joint rules are fundamental requirements for successful international cooperation and the price to pay for the benefits of such cooperation (Keohane 1984). Adherence to shared regulations and standards, for example, significantly lowers the transaction costs for international trade. Allowing the UK to diverge from these rules not only would make trade with the UK more costly for EU-27 firms, it also creates a risk that British deregulation would undercut EU standards, given a cost-advantage to UK firms vis-à-vis their European competitors. For all these reasons, insisting that the UK continue to pay the costs of cooperation has a lot of advantages for the remaining member states. However, such an insistence also carries the risk that negotiations break down and that the relations between the UK and the EU deteriorate significantly.

Taken together, the question of how much benefits the UK should be allowed to continue to enjoy and how much of the costs it should be required to shoulder confronts the remaining EU member states with a difficult trade-off. An accommodative negotiation strategy that allows the UK to retain most of the benefits while getting rid of most of the costs of EU membership is likely to limit the economic fallout from Brexit, especially in the short run. However, it creates a number of risks for the EU. Not only would it weaken the EU's *acquis communautaire*, which would damage the appeal and the unity of the single market in the long run.¹ Allowing the UK to share the EU's benefits without contributing and accepting the costs carries an even larger political risk, however: the risk of political contagion (Hobolt 2016; De

¹ Such a negotiation outcome would also open up the EU to challenges from other trade partners, who are likely to demand similarly preferential treatment under the WTO's most favored nation principle (for a discussion, see Lydgate and Winters 2018).

Vries 2018; Walter 2018; Walter et al. 2018). The UK's Brexit experience will provide voters with a powerful counterfactual that allows them to assess more accurately to what extent disintegration presents a viable and better alternative to membership in the international institution (de Vries 2017; Walter 2018). A Brexit-outcome that accommodates the UK and leaves it better off than as an EU member state would demonstrate to voters across the EU-27 that European integration can be reversed and that countries can unilaterally improve their position by leaving the EU. Allowing single states to opt out from the costs of EU membership while retaining the benefits thus sets a precedent that can have significant long-term ripple effects (Hix 2018).²

Euroskeptics, who aspire an exit of their own country from the EU, are likely to strive for such an exit blueprint that is favorable for a leaving member state. *Euroskeptic Europeans, are therefore likely to support such an accommodative Brexit outcome.* For these voters, the potentially detrimental long-term effects of an accommodative Brexit to the European project are a good thing because such an outcome would facilitate further EU withdrawals in the future. This is of course the outcome that Europhiles want to avoid. *Europhile Europeans who value the EU and want to preserve it in the future thus have incentives to support a non-accommodating negotiation strategy*

Although such a non-accommodating strategy might dampen other member states' incentives to leave the EU, it comes at a high economic and political price for both the UK and the remaining member states. The economic, financial, and political costs of Brexit that arise as the EU loses one of its biggest, geopolitically powerful, net contributing member are large.³ Faced with this trade-off, we expect that Europeans' support for a more or less accommodating strategy depends on how exposed they are to the fallout associated with a non-accommodating outcome for the UK, that is, in the worst case, a no deal Brexit. This exposure varies significantly among individuals, regions, and even countries. For example, Europeans whose jobs are dependent on trade with the UK are more exposed to the costs of a non-accommodated Brexit, whereas individuals working in nontradable industries are less exposed. Likewise, the costs of severing the close economic ties with the UK vary substantially across the EU-27, both across countries and across regions. For example, it is estimated that a non-accommodated, hard Brexit will put 10.1% of Irish and 5.5% of German GDP at risk, but only 0.6% of Italian and 0.8% of Spanish GDP, and there is also considerable regional variation in exposure levels (Chen et al. 2017). Overall, *we expect Europeans who are personally vulnerable to or live in countries or regions that are very exposed to the economic fallout from a non-accommodated Brexit to favor a more accommodating stance towards the UK.*

Support for different Brexit packages

Brexit is a complicated affair, spanning myriads of issues, on each of which the EU-27 can take a more or less accommodating stance. How can we systematically think about the choices EU-27 Europeans make with respect to these intricacies of Brexit and what does this mean for different Brexit "packages" that may be negotiated between the EU-27 and the UK?

Two broad categories of Brexit negotiation issues can be distinguished: A first category comprises negotiation issues in which a negotiation outcome closer to the UK's ideal point is invariably a worse outcome for the remaining member states, and vice versa. Such *zero-sum issues* are negotiation issues for which each negotiating party will try to push through the most favorable outcome for itself. Zero-sum issues do not confront the EU-27 partners with the trade-offs discussed above; rather, the more accommodating an outcome is for the UK, the more

² This effect has also been well documented in the context of secession on the national level (e.g., Coggins 2011).

³ In addition, pursuing a non-accommodating negotiating line might also create (or reinforce) a negative image of the EU as an uncompromising, punishment-seeking 'dictator', that might decrease its overall appeal not just in the UK, but also among voters in the EU-27.

costly it is to the EU-27, and vice versa. The question of the “Brexit bill,” that is how much the UK should pay to the EU upon leaving, or the question of continued British contributions to the EU are typical examples for a zero-sum issue: The more the UK pays, the less the remaining member states have chip in to close the funding gap caused by Brexit. Thus, the less beneficial the negotiations on the Brexit bill are for the UK, the better this outcome will be for the remaining member states.

This contrasts with a second type of negotiation issues, *cooperation issues*, which are characterized by the trade-offs discussed above. In this second category non-accommodative negotiation outcomes that deny the UK the benefits from EU cooperation mean that the remaining EU member states equally lose these cooperation gains. For example, if Brexit leads to the re-introduction of trade barriers, exporters and consumers in both the EU-27 and the UK will be hurt. The disruption of international supply chains is likely to cause job losses and economic downturns on both sides of the Channel. Likewise, the expiry of other forms of cooperation and policy coordination between the EU-27 and the UK – from terrorism prevention over research cooperation to environmental protection – creates transaction costs, economic distortions, and financial risks for economic actors and individuals in both the EU-27 and the UK.

How Europeans evaluate their preferred EU-27 negotiation stance on each of these sets of issues crucially depends on their personal view of the European Union. As discussed above, we generally expect Europhiles to support a more no-accommodating approach to the Brexit negotiations, whereas we expect Euroskeptics to take a more accommodative stance. However, both groups of individuals face a dilemma with regard to the Brexit negotiations, as table 2 illustrates.

Table 2: Preferred EU negotiation strategies among Europhiles and Euroskeptics

	Europhile	Euroskeptic
Zero-Sum issues	<i>Preference for Non-Accommodation</i>	<i>Non-Accommodation Dilemma</i>
Cooperation issues	<i>Accommodation Dilemma</i>	<i>Preference for Accommodation</i>

Europhile Europeans, who prioritize the long-term stability of the European project, are generally less willing to accommodate the UK. This is particularly true for zero-sum issues, where any accommodation of the UK’s preferred position is costly for the remaining member states. However, Europhiles face an “*accommodation dilemma*” (Walter 2018) between the conflicting objectives of limiting the economic fallout from a hard Brexit and safeguarding the long-term stability of the EU with regard to cooperation issues. This is because non-accommodative arrangements with regard to these issues – such as trade or UK participation in EU agencies – inflicts significant costs not just on the UK, but also on the remaining EU member states. Non-accommodation of cooperation issues is thus much more costly than non-cooperation on zero-sum issues. We therefore expect *Europhiles to clearly support a non-accommodative stance with regard to zero-sum issues, but to exhibit much less clear and more moderate preferences with regard to cooperation issues.*

Euroskeptics, meanwhile, do not face an accommodation dilemma – after all, they support a negotiation outcome that presents EU-withdrawal as an attractive alternative to EU membership. However, and in contrast to Europhiles, they face a “*non-accommodation dilemma*” with regard to zero-sum issues. This is because accommodating the UK on zero-sum issues means tangible costs to the remaining member states. Euroskeptics, who often tend to be nationalists, thus face a dilemma between the wish to limit the costs of Brexit for their own country and the wish to establish a favorable precedent for EU withdrawal. As a result, we expect *Euroskeptics to be clearly in support of an accommodative stance with regard to*

cooperation issue, but to exhibit a more moderate, and less accommodating stance with regard to zero-sum issues.

What does this mean for the support for different Brexit packages overall? Because a clear majority of Europeans still supports EU membership (Hobolt and de Vries 2016; De Vries 2018), we expect that *on average, Europeans should take a relatively uncompromising line with regard to zero-sum issues, and a more compromising line with regard to cooperation issues.*

3. Research Design and Data

To analyze attitudes towards Brexit, we use original data from two surveys conducted in Germany and Spain. The survey was administered by the company *Respondi* to a quota sample (by gender, age and region) of 1,500 respondents in each country during the first week of December 2017.

Germany and Spain are two of the largest EU member states, which means that their publics' views towards Brexit are relevant to understand the European public's preferences for Brexit outcomes. Many citizens in both countries have personal ties with the UK, with approximately 144000 Spanish (0.4% of Spanish citizens) and 165000 German citizens (0.2% of German citizens) living in the UK in 2016 (ONS 2018). Nonetheless, both countries also vary in important respects. First, Germany's exposure to the economic fallout from Brexit is much higher than Spain's exposure. For example, Chen et al. (2017) estimate that 5.48% of German GDP, but only .77% of Spanish GDP are at risk in a non-accommodated, no deal Brexit scenario. This suggests that both countries exhibit the conditions for the accommodation dilemma to emerge, but the dilemma should be bigger in Germany.

We analyze the survey data in two steps, that also follow how the questions were asked in the survey. First, we explore the correlates of respondents' general support for a "hard" (non-accommodating) or "soft" (accommodating) Brexit negotiation strategy. In a second step, we then delve into more detail and explore how Spanish and German respondents evaluate different Brexit deals, with particular attention to potential differences in opinion between zero-sum and cooperation issues.

Dependent variables: European views about the Brexit negotiations

We measure Europeans' views about the Brexit negotiations both in terms of their support for the EU's overall negotiation strategy and in terms of their support for specific, multi-dimensional Brexit deals. In this first part of the analysis, we explore which citizens align themselves with a more or less accommodating line in the Brexit negotiations.

As a dependent variable, we use a five-point scale in response to the question:

In the "Brexit"-negotiations, the EU can take a harder line or a softer line.

A HARD line means that the EU insists that the UK...

... pay a large "exit bill" to compensate the EU for the costs of Brexit.

... guarantee special rights for EU citizens living in the UK

... does not get privileged access to the European Single Market.

A SOFT line means that the EU...

... accepts that the UK pays only a small "exit bill."

... allows the UK to limit the rights of EU citizens currently living in the UK.

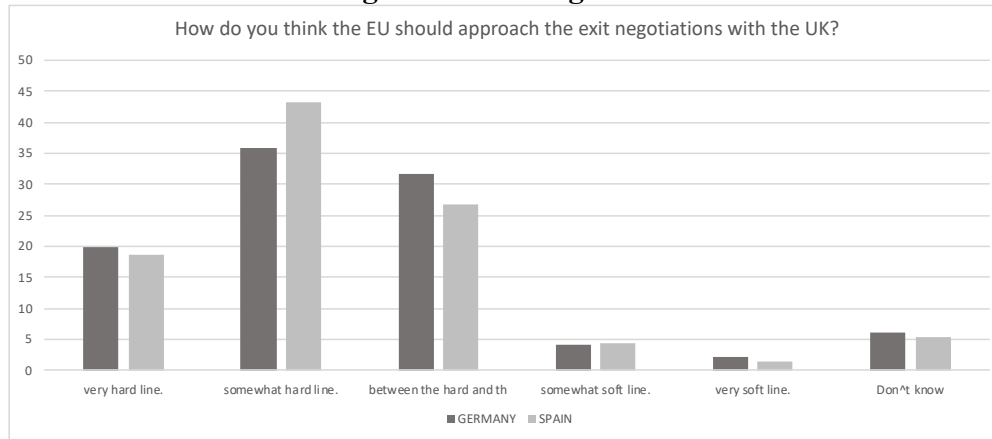
... gives the UK privileged access to the European Single Market.

How do you think that the EU should approach the exit negotiations with the UK?

The answer options on a five-point scale are that the EU should take a ... (1) "very soft line", (2) "somewhat soft line", (3) "middle position between the hard and the soft line", (4)

“somewhat hard line” and 5 “very hard line.”⁴ Figure 1 shows that both German and Spanish respondents are generally supportive of a hard negotiation stance, with only a small minority supporting an accommodative stance vis-à-vis the UK. This is in line with survey evidence for the EU-27 as a whole, which also suggests wide popular support for a hard negotiation stance (Walter 2017).

Figure 1: Preferred EU-Brexit-negotiation strategies



Secondly, respondents took part in a conjoint experiment in which they had to choose among different Brexit deals. A conjoint experiment is a statistical technique that helps to analyze how people value different attributes in a given proposal. In the case of our research project, the proposal was a “Brexit deal”, that is, a list of potential negotiation outcomes of Brexit. We use the conjoint analysis technique to explore what specific Brexit outcomes exhibit the strongest effect upon individuals’ choices. We included in the Brexit deals a list of issues that have been (or will be) part of the negotiation process between British and EU negotiation parties. Following the theoretical framework described in the previous section, we organized the multidimensionality of Brexit issues into two broad categories that vary with regards to the different strategies that involve for the negotiating parts (see Table 3).

The first category includes negotiation issues that have a *zero-sum* nature, namely issues in which a negotiation outcome closer to the British position hampers the interests of the remaining member states, and vice versa. Issues in this category are negotiation issues for which each negotiating party has no incentives to compromise but to push through the most favorable outcome for itself. Zero-sum issues included in the conjoint analysis namely are: the *Brexit bill*, *right of EU workers currently in the UK*, *future rights for EU workers about circulation and applicability of EU law and ECJ rulings in the UK*.

Table 3. Brexit dimensions and values in conjoint experiment.

<i>Zero-sum issues</i>	Brexit bill	None Small (20 million) Medium (60 million) Large (100 million)
	Right of EU workers in the UK	Rights substantially limited Rights somewhat limited Rights not limited
	Circulation of EU workers in the UK	Substantial restrictions Some restrictions No restrictions

⁴ There is a sixth category “Don’t know/don’t answer” which we consider as missing in this analysis.

	Applicability of EU law and ECJ rulings in the UK	No applicability Applicability in some areas Full applicability
<i>Cooperation issues</i>	Trade	None Some trade barriers Significant trade barriers
	Services (freedom of business)	Full freedom Some limitations Strong limitations
	Cooperation programmes	All programmes All programmes + crime Some programmes + crime Some programmes No participation

The second group includes cooperation issues. These issues are characterized by a trade-off between minimizing the costs associated to a sharp rupture with the UK (a non-accommodated Brexit) and minimizing the long-term political risks associated to a soft Brexit. This group comprises the question about the future UK-EU relationship regarding *Trade*, *Services* and *Cooperation programmes*. These issues prompt an accommodation dilemma: maintaining close cooperative relations with the UK will minimize in the EU-27 the loss of cooperation gains associated to the re-introduction of trade-barriers or the limitation of services, so the remaining member states will have incentives to compromise. However, compromising with the UK in these areas may lower the costs of defection for the EU-27, which may increase the risk of political contagion.

For each of the negotiation issues we have established a potential Brexit outcome that ranges from the result closest to the UK's interests (the outcome that fully accommodates the British interests) to the outcome that does not at all accommodate the British position (see the last column in Table 3). Essentially what varies across Brexit deals is the specific outcome across issues, so each deal present a different combination of outcomes. Both issues and outcomes within each issue have been randomized to prevent choices being driven by their specific order. The unit of observation is the Brexit deal, and the outcome variable is whether the Brexit deal is chosen over its pair or not (1 if chosen, 0 if not). Individuals have had to choose six times among two different Brexit deals, so the conjoint analysis generates a total of 36.000 observations.

Independent variables: Exposure and Attitudes towards Europe

Our argument suggests that Europeans' opinions about the Brexit negotiations should be strongly shaped both by their exposure to the fallout from a non-accommodated Brexit and their views about the European Union.

We capture exposure in a number of ways that consider both the respondent's context and her personal situation, as well as objective and subjective measures of exposure. In terms of context, we focus on regional economic exposure as an objective measure of respondents' contextual exposure (*regional exposure*). This variable captures the amount of regional GDP (NUTS-2 level, *Land* in Germany and Autonomous Community in Spain) where the respondent lives at risk from a hard Brexit. This variable is taken from Chen et al. (2017) and ranges from 0.51% of regional GDP in the Canary islands (Spain) to 5.98% of regional GDP in Baden-Württemberg (Germany). Second, we asked individuals for their subjective assessment of their country's exposure to Brexit. These expectations about the medium-term economic consequences of Brexit for respondents' own countries (*Expected Brexit Impact*) range from 1 (Germany/Spain will be much better off in five years as a result of Brexit) to 5 (Germany/Spain

will be much worse off in five years as a result of Brexit). Interestingly, the majority of respondents, 50% in Spain and even 60% in Germany, believed that Brexit will not have any effect on their own country. However, among those who believed that Brexit would have an effect, those expecting a negative impact clearly dominated. Whereas only between 12% of Spaniards and 14% of Germans believed that their country would be better off because of Brexit, 38% of Spanish and 26% of German respondents expected Brexit to negatively impact their own country in the medium term⁵.

Individuals' attitudes towards the European Union are operationalized through two dummy variables: *Good EU opinion*, is coded as 1 for individuals whose general opinion of the EU is positive (good or very good; 59.4% of our sample) and zero otherwise. *Bad EU opinion* is coded as 1 for individuals who have a bad or a very bad opinion of the EU (19.2%), and zero otherwise. Those with neither good nor bad opinions (21.4%) are used as the reference category. We have also used the likely vote in a EU membership referendum deal as a proxy for EU attitudes and the results remain the same. All models control for age, gender, country and education levels.

We have also included other individual economic exposure variables. First, *Business ties* is coded as 1 if the respondent's employer has business ties with the United Kingdom (11% of the sample are included in this category). *Relatives/friends in the UK* is operationalized as 1 when the respondent states that they have a relative or a friend living in the UK (22.29 % of the sample fall within this category, 32% in Spain and 12% in Germany); and 0 otherwise. Finally, we operationalize individuals' vulnerability to a change in economic conditions through income. *Income* measures the income decile of the respondent's household income after taxes. Those with lower incomes are expected to be more vulnerable to economic shocks and therefore more risk averse with regards to the consequences of Brexit. We also account for the effect of nationalism and ideology. *Proud country* is a dummy variable that takes the value of 1 for those who feel proud or very proud of their country (and is coded as 0 for the rest). *Ideology* is the respondent's self-placement in a 0-10 left-right scale (we also include in the regression model *ideology squared* to capture non-linear effects).

5. Results

The empirical analysis proceeds in two steps. We first perform an observational analysis to explore variation in the preferred EU negotiation strategy among the German and Spanish public, paying particular attention to the effects of exposure and attitudes towards the EU and validating our results with an analysis of Europeans' stated goals for the Brexit negotiations. In a second step, we analyze a conjoint experiment on different Brexit packages, which allows us to examine the differences between zero-sum and cooperation issues, as well as differences between Europhile and Euroskeptic respondents

Exposure, attitudes towards the EU, and preferred negotiation strategies (observational analysis)

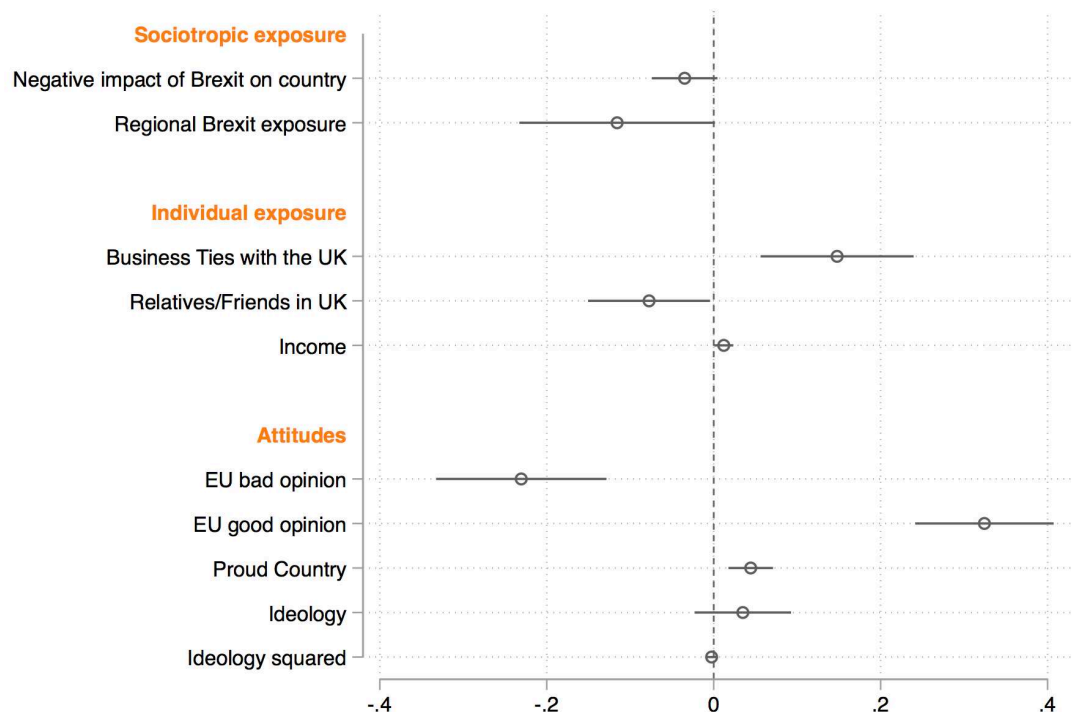
In the first part of the analysis we explore the individual-level variables that account for respondents' preferred negotiation stance towards Brexit. We also analyze whether some of the assumptions in which the accommodation dilemma is grounded are supported in the data. First, we study whether individuals with positive attitudes towards the European Union are more

concerned about the political risks associated with Brexit than individuals with more negative attitudes. Second, we explore whether those more exposed to the economic effects of Brexit are more supportive of a negotiation outcome that represents a mutually beneficial agreement.

Our argument suggests that the willingness of Europeans to accommodate the UK in the Brexit negotiations should be strongly shaped both by their attitudes towards the EU and their exposure to the fallout from a hard Brexit. Results for the first set of observational analyses are shown in Figure 2 and support the empirical implications of our argument. Most variables are statistically significant at conventional levels and in the expected direction – negative values denote a more accommodative stance and higher values a less accommodating stance.

The two variables that measure economic exposure (subjective and objective) have a negative effect, which supports our hypothesis that Europeans in regions that are highly exposed to the economic fallout from a non-accommodated Brexit will lean towards a more accommodating Brexit negotiation line. Results also show that those who have relatives or friends living in the UK are more willing to accommodate the British, while those that are economically less vulnerable (those with higher incomes) support a less accommodating negotiation stance. We also find that respondents who work in companies with business ties with the UK have less accommodating positions than those that do not work or work in companies with no business ties with Britain. A plausible explanation to this result is that companies with business ties with the UK may also have business ties with the remaining EU countries, so these respondents might be concerned that accommodating the UK risks an eventual unravelling of the Single Market.

Figure 2: OLS regressions (DV: Five point Soft-Hard Brexit negotiation line scale)



Note: 90% confidence intervals, n= 2,602.

We also find strong attitudinal effects. Attitudes towards the EU emerge as a strong division line between those more and less willing to accommodate the UK in the Brexit negotiations. As hypothesized, individuals with positive views of the EU (Europhiles) tend to support a less accommodating negotiation line, whereas Euroskeptics exhibit a more

accommodating negotiation stance. These strong effects of EU attitudes do not show up with other variables. In addition, individuals who feel proud of their country exhibit a less accommodating position, whereas the effect of ideology is not significant neither with the current specification (accounting for non-linear effects) nor including the ideological variable as a set of categorical variables (not shown here).

Next, we examine the motivations underlying a more or less accommodating stance towards Brexit. We do so by exploring the relationship between individuals' economic exposure to Brexit/EU attitudes and their preferences towards specific *goals* of the bargaining process. We use a set of survey questions that ask respondents to evaluate how important the respondents rates different possible goals in the Brexit negotiation process. Respondents are asked to evaluate five goals: punish the UK, avoid that more countries leave the EU, a mutually beneficial agreement, protect the country's economic interests and avoid more financial contributions to the EU. We regress each of the individuals' responses on the variable measuring economic exposure (perception of economic consequences *Negative impact of Brexit*) and (separately) on the attitudinal variable *EU is good/bad* (as a continuous variable "very good" "good" "neither good nor bad" "bad" "very bad") controlling for socio-demographic confounders (age, gender, education, and country) and the rest of goals.

Figure 3 shows the estimated impact of having more positive views on the European Union (*EU good/bad*) upon each specific goal. Results show that a positive evaluation of the EU is more strongly associated with the goal of preventing further defection by additional EU member states. This result supports the assumption that underpins our hypothesis on EU-attitudes: that Europhiles will exhibit a harder negotiation stance *because* they care about the political risks (political contagion) that may stem from Brexit. Figure 4 exhibits the estimated coefficients of holding poor economic expectations from Brexit upon different goals. The estimated effect is non-significantly different from zero for most of the goals, but is positively and significantly correlated with finding a "mutually beneficial agreement". This result contributes to provide a more nuanced account of the relationship between perceived economic exposure and individuals' stance towards Brexit, corroborating our previous findings: that those who perceive a negative economic impact from Brexit will be more likely to support a more accommodating outcome in which a mutual beneficial compromise is reached.

Figure 3. The effect of opinion about EU on likelihood of supporting different goals of Brexit negotiations

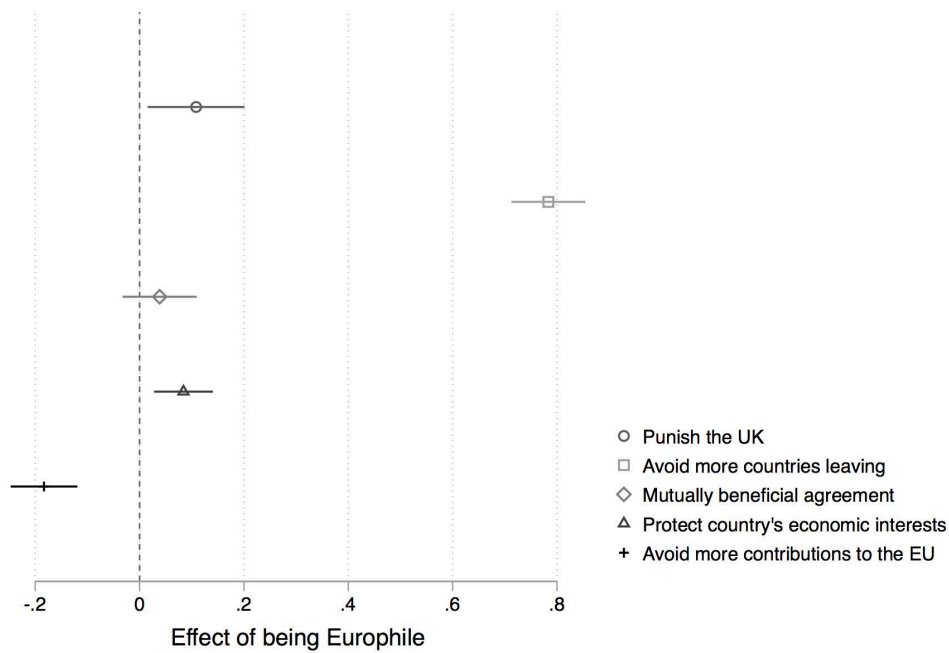
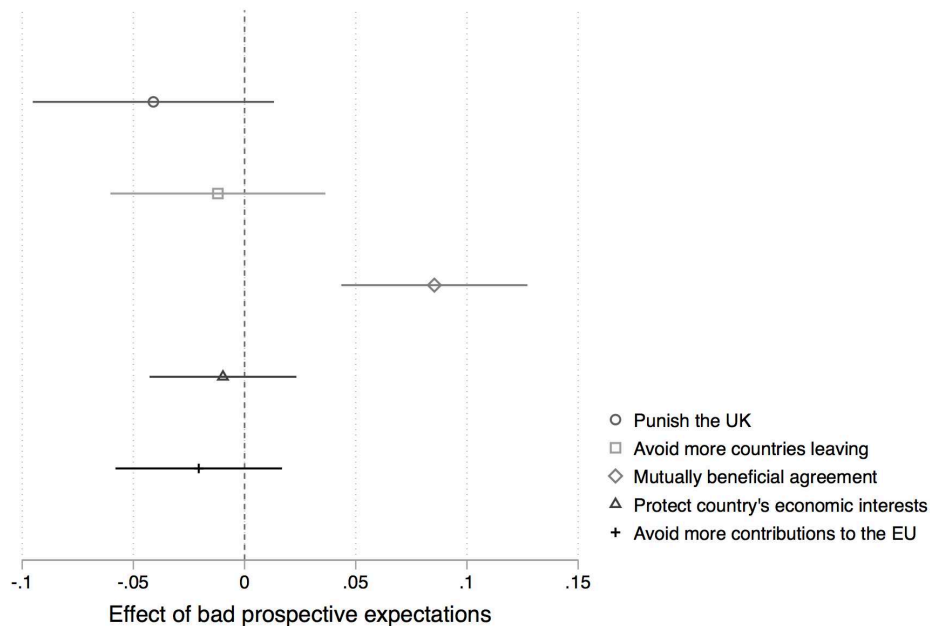


Figure 4. The effect of negative economic expectations of Brexit upon Brexit goals



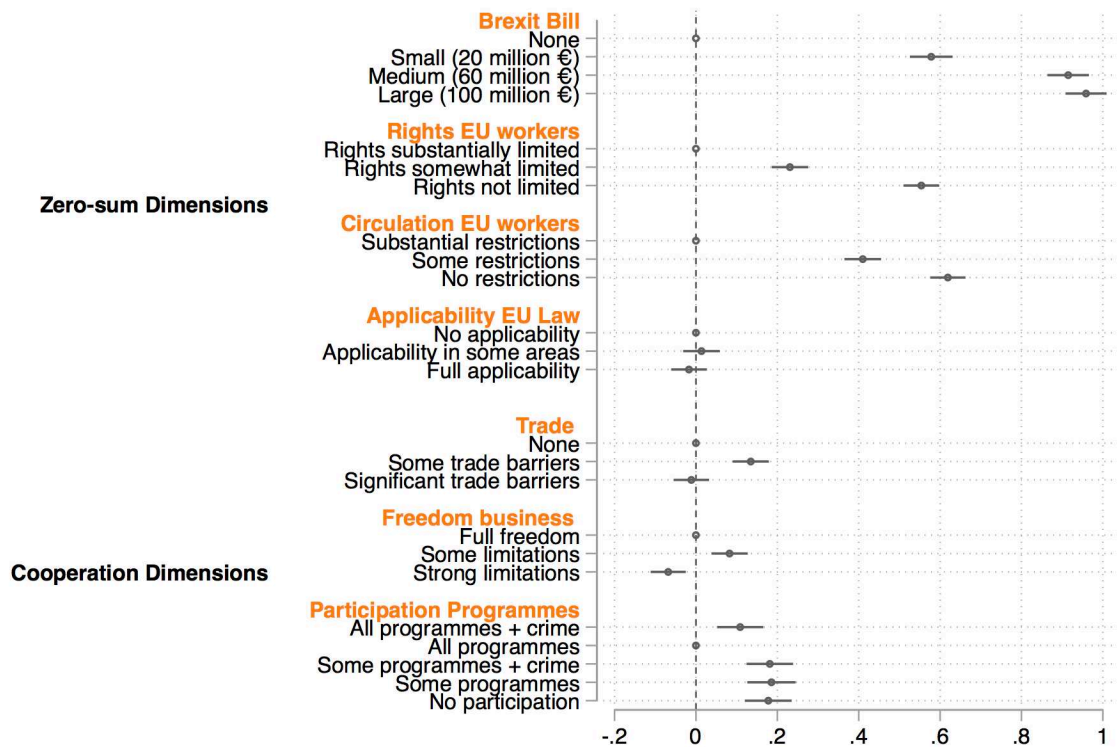
Choosing between different Brexit packages: Conjoint analysis

The second part of the analysis is a conjoint experiment about Spanish and German respondents' choice between different potential Brexit packages. The conditions under which the United Kingdom will eventually leave the EU will be a multidimensional deal. Thus, the incentives to be more or less accommodative might differ across different dimensions. More specifically, we have argued that EU attitudes

As we described above, all respondents had to choose the preferred Brexit deal in a series of pair choices. The Brexit deals varied randomly across seven dimensions: four that we have considered zero-sum dimensions and three cooperation dimensions (see Table 2).

Figure 5 exhibits the overall results of the conjoint experiment. It shows the marginal effects of each Brexit outcome (in each dimension) in accounting for respondent's choices across Brexit deals (36,000 hypothetical Brexit deals). As expected in light of the fact that in both countries Europhiles clearly outnumber euroskeptics, we can observe that generally, German and Spanish citizens adopt a very non-accommodating negotiation line. For almost all dimensions, the Brexit deal is more likely to be accepted when the outcomes are less accommodating (i.e.: more separate from the demands of the British government).

Figure 5: General Analysis: Brexit conjoint



As hypothesized, this effect is particularly strong in for zero-sum issues. Most clearly, respondents favor a larger Brexit bill. While a random Brexit deal with no Brexit bill has a predicted probability of 0.35 to be chosen, a Brexit deal with a large Brexit bill has a predicted probability of 0.57 to be chosen. This hard stance is also reflected in the strong effects of the rights of current EU workers in the UK and the freedom of circulation of Europeans into the United Kingdom. In both cases, citizens are more likely to support a Brexit agreement if the United Kingdom is not allowed to impose any restriction in both dimensions. The predicted probability to support a Brexit deal with substantial limitations to the rights of EU workers is 0.43, while it raises to 0.56 when no limitations to the right of EU workers currently living in the United Kingdom are imposed. Likewise, citizens reject limitations. The effects are slightly stronger than for the rights of current EU workers. A Brexit package with no limitations for the circulation of EU citizens into the UK in the future is accepted with a predicted probability of 0.41, while a Brexit package with no limitations to the circulation of EU citizens has a predicted probability of 0.57. In contrast to the strong effects on this three dimensions, we do not find

strong effects for our fourth zero-sum dimension: applicability of the EU law. Here, we observe no significant effects in either direction.⁶

This generally strong effects towards hard position in zero-sum dimensions are in line with our expectations. In all these dimensions, the EU has little to win by having a soft position as gains for the United Kingdom are losses for the EU. Citizens clearly understand this and support very hard positions.

A different situation arises among cooperation issues. Here, the EU has something to win if a softer Brexit deal is agreed. On the other hand, soft positions can set an attractive deal that will make the exit of other countries more attractive in the future. This less straightforward nature of the choice is reflected in our conjoint experiment. First, we observe that the citizens soften considerably their positions, although not completely. Second, the magnitude of the effects is considerably smaller than for the zero-sum dimensions, reflecting that we find more diversity in the choices of respondents.

For the case of trade, the most preferred deal is on where some trade barriers between the EU and the UK are imposed. Thus, this means that the European public is willing to give up some of the gains of free trade with the UK in the Brexit deal. However, this does not take the general public opinion to favour a completely restrictive deal where strong trade barriers are implemented. A similar picture arises with regards to the freedom of services provision and establishment. The pooled sample is more likely to accept some limitations in these dimension, and there is a negative and significant effect with regards to strong limitations.

This softer approach on trade and services does not extend to the participation of the UK in EU cooperation programmes. As possibly the gains of cooperation here are smaller and less obvious, citizens take a harder position. Allowing the UK to participate in some or no programmes increases the likelihood that the Brexit deal is supported. Only mentioning explicitly that cooperation includes the area of crime, which is a highly salient valence issue, can make citizens more likely to accept a Brexit deal where the UK is allowed to participate in EU-wide cooperation.

In summary, these general results show that citizens are aware of the trade-offs contained in the Brexit negotiation. In those areas where there are no incentives to get closer to the UK demands, citizens support a hard line on Brexit. Likewise, those areas where there is a dilemma between keeping some cooperation gains with the UK, but compromising other goals (such as avoiding other countries leaving in the future, increasing the contributions of current EU members or not punishing the UK for leaving the European club), citizens soften their stance, but not completely. In particular in trade and business circulation, moderately restrictive deals are the most supported.

We have hypothesized, however, that Brexit choices are also going to be shaped by attitudes towards the EU. While pro-EU citizens face an accommodation dilemma to have a softer position on cooperation dimensions, Euroskeptic citizens face a non-accommodation dilemma to have a harder position in the zero-sum dimensions. In Figure 6, we analyze these moderating effects of attitudes towards, in particular using the impact of opinions about the EU. The figure compares Brexit choices of citizens with a very positive opinion on the EU and citizens with a very negative opinion on the EU.

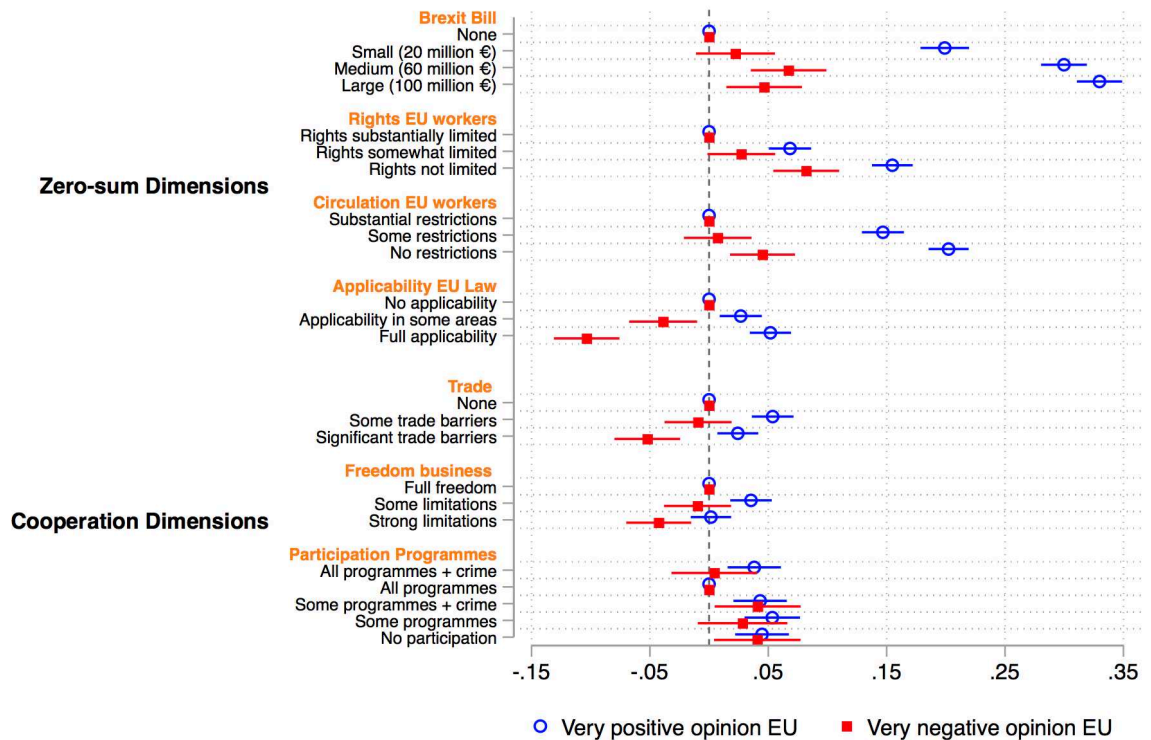
This figure represents, first, the accommodation dilemma of citizens with favorable EU attitudes. The figure shows that pro-EU attitudes have a very strong moderating effect, but that this effect concentrates in the zero-sum dimensions. Europeanists take a very hard stance in those issues where the EU has nothing to win by conceding and These means that pro-EU citizens endorse very hard terms on the Brexit bill, rights of EU workers, circulation of EU workers, and, to a lesser extent, applicability of the EU law. Less accommodative Brexit deals in these dimensions increase substantially the likelihood of support of EU supporters.

⁶ To the extent that the supremacy of EU law is also a key element of the Single Market, one could also debate whether this is truly a zero sum issue, or perhaps more of a coordination issue.

Europhiles use the zero-sum dimensions to increase the costs of leaving the EU to protect the Union from further exits. Conversely, with regards to cooperation dimensions, EU supporters face an accommodation dilemma. On the one hand they have incentives not to concede to British demands to protect the EU from further attempts to leave the EU. On the other hand, these are dimensions that entail mutual benefits to the EU and the UK and citizens should generally have incentives to accommodate British demands. We observe that this accommodation dilemma implies that EU supporters soften considerably their position, particularly on trade, which is the most salient one. Brexit deals with some trade barriers are slightly preferred to deals with no barriers, and there is almost no significance difference compared to deals with strong barriers. Likewise, deals that somewhat limit the freedom of businesses to establish themselves and provide services freely between the UK and the EU are also just slightly preferred to a non-limitations deal, but not a deal with a strong limitations. Finally, more participation of the UK in cooperation programmes is also rejected, but the effect is very limited as the accommodation dilemma would predict.

The citizens with a negative opinion on the EU face, on the contrary, a non-accommodation dilemma. In principle, these citizens should have incentives to accommodate the demands of the UK. These citizens will not want to set hard terms to leave, as they will like not to set a hard precedent in case their country ever has the opportunity to leave. This is clearly the case for cooperation issues, where accommodating the UK demands imply keeping mutual benefits. As we expected, these citizens reject deals that impose trade barriers or limitations to the freedom of the provision of services between the EU and the UK. The non-accommodation dilemma, however, emerges with regards to the zero-sum issues. Not accommodating in these issues implies setting harder conditions for countries to leave in the future, but guaranteeing some benefits in the short-term. These benefits can be economic (for instance, a high Brexit bill means that the own country will be less likely to increase its contributions to the EU), but also of a different nature, such as safeguarding the rights of the own country citizens that leave in the UK. Therefore, we observe that in the zero-sum issues even Euroskeptic citizens have incentives to take (limited) non-accommodation positions. Either with regards to the Brexit Bill, the rights of the EU workers and the circulation of EU workers, less accommodative deals (high Brexit Bill, no limitations to the rights of EU workers in the UK, and no limitations to the circulations of EU workers into the UK) are preferred. Only the applicability of EU law and ECJ rulings increase the likelihood of rejection of the Brexit deal. This is the only zero-sum issue where Euroskeptic citizens do not seem to face an accommodation dilemma. These citizens, who tend also to hold a more nationalist position, possibly see this dimension as an interference on UK's sovereignty.

Figure 6: The (non-)accommodation dilemma. Brexit choices, by EU attitudes



In general, these results show that the main variable explaining Brexit choices is EU attitudes. EU attitudes have stronger impact not only on moderating cooperation dimensions, but also on zero-sum dimensions, where in principle no citizen should have strong incentives to accommodate.

5. Conclusion

One member state's withdrawal from an international institution creates considerable challenges for the remaining member states. This is particularly true in instances of mass-based disintegration (Walter 2018) such as Brexit, in which the withdrawal decision is based on a strong popular mandate, which makes it highly politicized and endows it with democratic legitimacy.

In this paper we have studied how the public opinion of the remaining countries in the international institution react to one member state's withdrawal and which are the negotiating positions that they support. We have studied this by looking to two of the biggest remaining EU countries- Germany and Spain- and the Brexit negotiations. We have shown that citizens are aware of the strategic dilemmas involved in a disintegration negotiation. On the one hand, citizens might be interested in agreeing on an accommodative deal that protects some areas from the disruption of disintegration and safeguards mutual benefits of cooperation. However, reaching an accommodative deal that is positive for the leaving country might provide incentives for other countries to leave in the future as well. On the other hand, not accommodating the demands of the leaving country might provide short term benefits by extracting rents from it, but can harm long-term benefits by ending up cooperation.

We have shown that citizens grasp this strategic dilemma and will solve it according to their preferences. We have argued that Europhile voters will be more interested in protecting the EU from further disintegration and this would take them to take a harder non-accommodative stance on the British demands, even if this comes at a certain cost of losing cooperation gains. Conversely, euroskeptic voters have incentives to accommodate the British

demands as they will be interested in protecting areas of mutual benefits, while making the conditions for countries leaving in the future more flexible and less costly.

Our results show that, in general, the German and Spanish mass opinion is in favor of not accommodating the demands of the UK. However, when it comes to the actual Brexit conditions, the deal will be multidimensional. There are areas where accommodating can create short-term benefits (cooperation issues), while other areas where accommodating to the British demands can be costly (zero-sum issues). We have shown that the incentives to be non-accommodative decrease for the Europhile voters in the cooperation dimensions, while the incentives to accommodate decrease for euroskeptic voters for zero-sum issues.

This research can be expanded in the future in several ways. First, it would be very valuable to conduct similar analyses in other settings where one country is negotiating to leave an international organization or an international agreement, such as the US with NAFTA or Switzerland with the bilateral treaty on the free movement of people with the UE. These are contexts where similar strategic dilemmas between accommodating or not accommodating the demands of the leaving country emerge and where citizens with different preferences over the value of such international agreement should solve it differently. Secondly, we have analyzed a case -Brexit-where there is a strong imbalance between the leaving country and the remaining countries in the negotiation. Exploring how the dilemma between accommodating and not accommodating changes for the remaining countries as the balance of power changes would provide further insights on mass based disintegration. Bringing in more experimental approaches can help to shed light on this.

Altogether this paper contributes to a better understanding of disintegration processes. A phenomenon that is rapidly spreading, but our knowledge about it is still very limited (Schneider 2017, Walter 2018).

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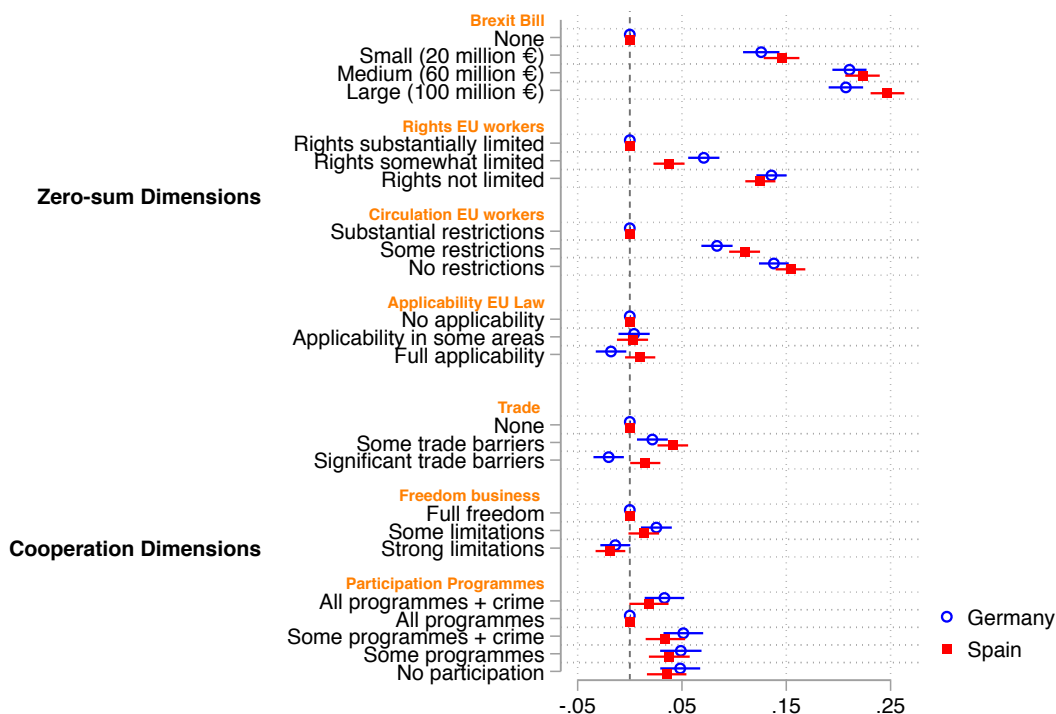
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APPENDIX

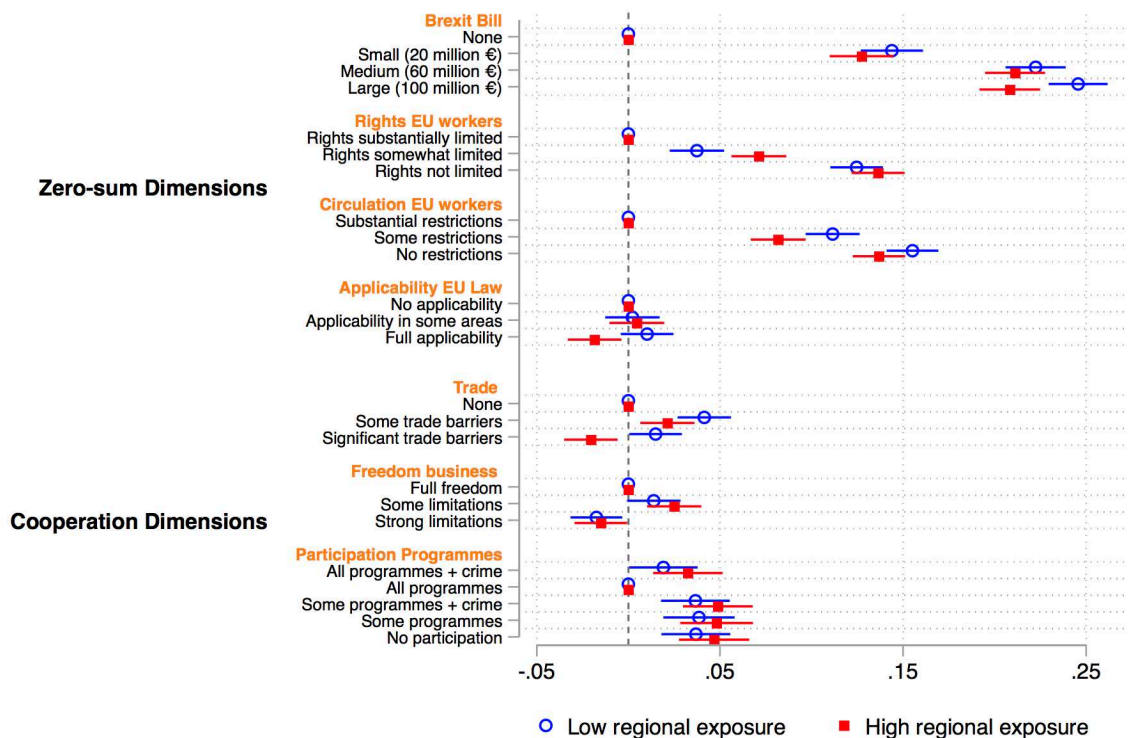
In this Appendix we present some of the results of the conjoint experiment considering other relevant independent variables that can mediate conjoint choices. First, we explore the differences by country in figure A.1. As we can observe, the general picture of Brexit choices remains. Spaniards tend to be slightly harder in their preferences, but differences between both public opinions are small. Both countries are very hard in the three main zero-sum dimensions -Brexit bill, rights of current EU workers, and circulation of EU citizens- while small differences arise with regards to the four non-salient dimensions. Germans are slightly more likely to reject deals that keep the full applicability of the EU law and ECJ rulings for the UK, while Spaniards are more likely to accept those deals compared to deals where EU law and ECJ rulings are not in place anymore. With regards to cooperation dimensions, both countries moderate their position and intermediately restrictive deals in trade and freedom of business are the most preferred. In trade, in particular, Germans are more likely to reject very restrictive trade agreements where substantial trade barriers between the UK and the EU are implemented, while Spaniards still have a slight preference for this deal compared to a deal with no trade barriers. This is expected result as the exposure to trade is much larger in Germany than in Spain, so we expect the accommodation dilemma to be stronger for them. In areas where the cooperation gains are smaller, like participation in EU programmes, we observe that both countries are restrictive (and we even find that Germans are slightly more restrictive than Spaniards).

Figure A.1: Analysis by country: Brexit conjoint



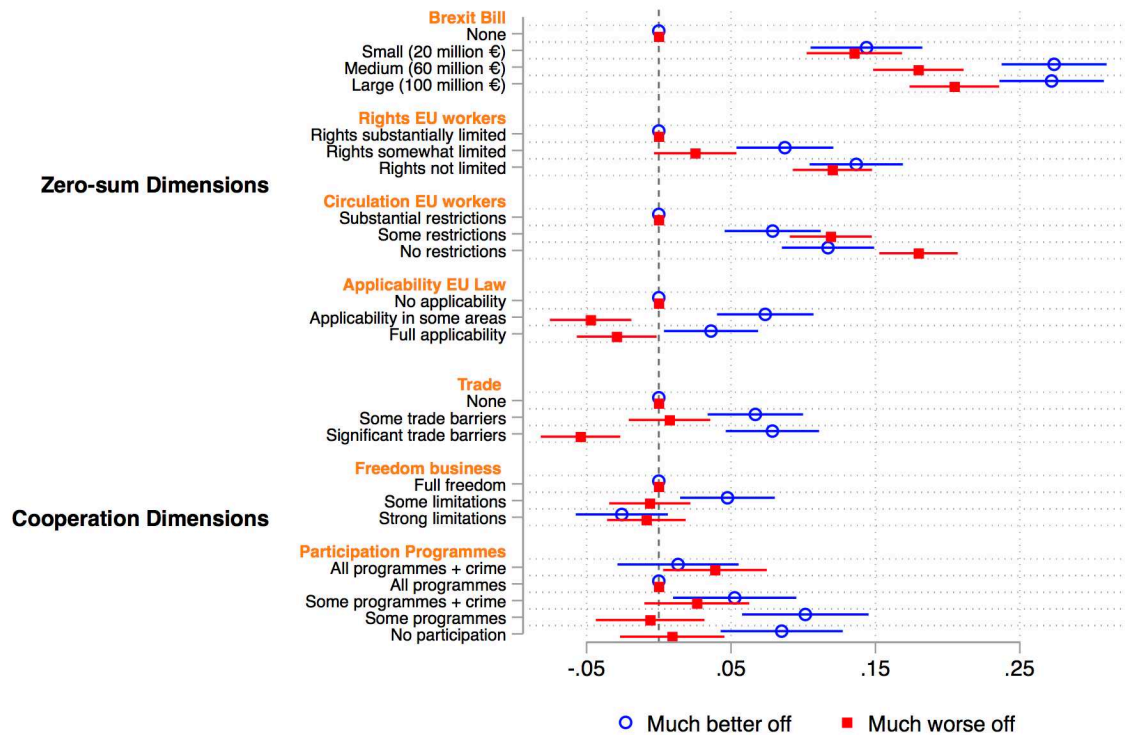
Apart from the (non-)accommodation dilemma, we found in the paper that economic exposure, both sociotropic and individual-level, increased the likelihood of a respondent to align herself with softer negotiation positions -with the exception of business ties with the UK. We also use the main exposure variables and test whether they moderate conjoint choices. Results go along our expectations, but have less explanatory power. Figures A.2 and A.3 show how regional exposure and the perception of how much Brexit is going to impact economically on the own country shape Brexit choices. In general, the exposure variables do not have a very relevant effect in moderating choices among the first zero-sum dimensions. Those that live in regions with more exports to the UK or that believe that their country is going to be severely affected by Brexit tend to have slightly softer preferences, except on rights for EU workers for highly regionally exposed individuals or circulation of EU citizens for those with bad prospective expectations. The more consistent moderating effects arise with regards to trade- Those that have high exposure -measured as regional exposure or prospective assessments- are more likely to reject the Brexit deal if it include restrictive agreements on trade. Finally, we also find that negative prospective assessments make also citizens more likely to reject the applicability of EU law and ECJ rulings. In general, however, the moderating effects of sociotropic exposure are small.

Figure A.2: Brexit choices, by perception of regional exposure



Note: The figure shows marginal effects conditional on levels of regional exposure (one standard deviation below and above the mean). 90% confidence intervals.

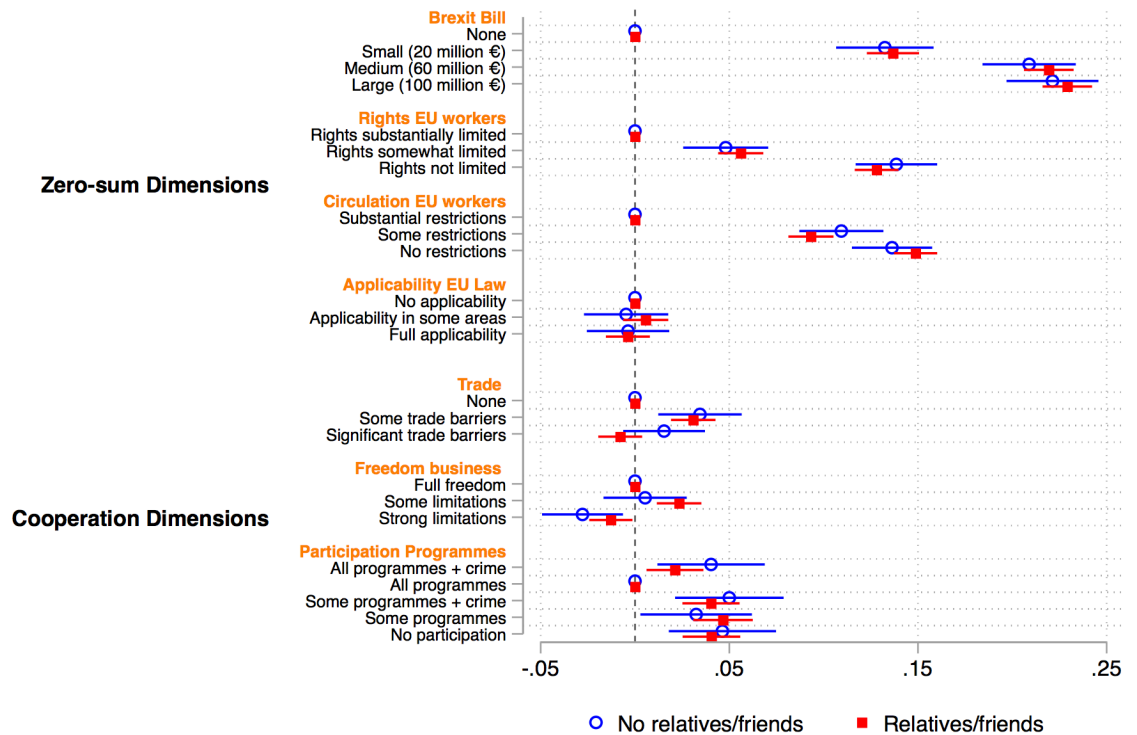
Figure A.3: Brexit choices, by perception of economic impact



Note : The figure shows marginal effects conditional on perception of impact of Brexit in five years on Germany/Spain. 90% confidence intervals.

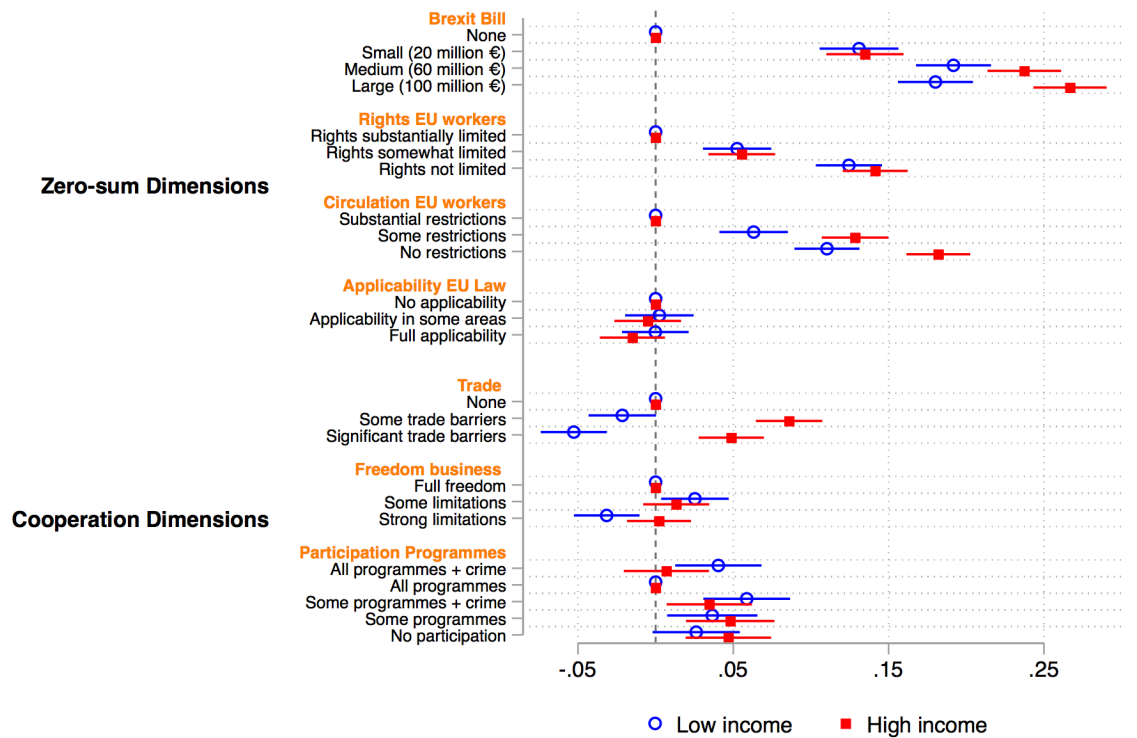
With regards to individual exposure measured as having relatives or friends in the UK, income, and business ties, figures A.4 - A.6 show that the moderating effects are of smaller magnitude. Surprisingly, having relatives or friends living in the UK -figure A.4-seems to have almost no impact on the dimensions that are important in order to support a particular Brexit deal. We find no effects on supporting more Brexit deals with less restrictive terms for EU workers or circulation of EU citizens. The only relevant difference arises, again, with regards to rejecting more restrictive trade barriers as part of the Brexit deal. Figure A.5 shows the moderating effects of income. The differences, again, on zero-sum dimensions are not very relevant. Harder terms on those dimensions increase less the likelihood of support of the Brexit deal of citizens with more vulnerable profiles, but the effect is always in the same direction (more support as the terms get harder). Only with regards to trade and, to a lesser extent, services we see relevant effects. Low income voters reject more Brexit deals with some or substantial trade barriers, as well as those with strong limitations on the freedom of businesses to establish and provide services. On the contrary, high income citizens do not accommodate on trade and support harder deals. Finally, and consistent with the results of the observational analysis, business ties make citizens less willing to accommodate Brexit demands by the UK (figure A.6). We believe this is a result of having business ties with the rest of the EU as well, making citizens aware of the risks of contamination to other countries if a very favorable deal for the UK is achieved.

Figure A.4: Brexit choices by relatives/friends in the UK



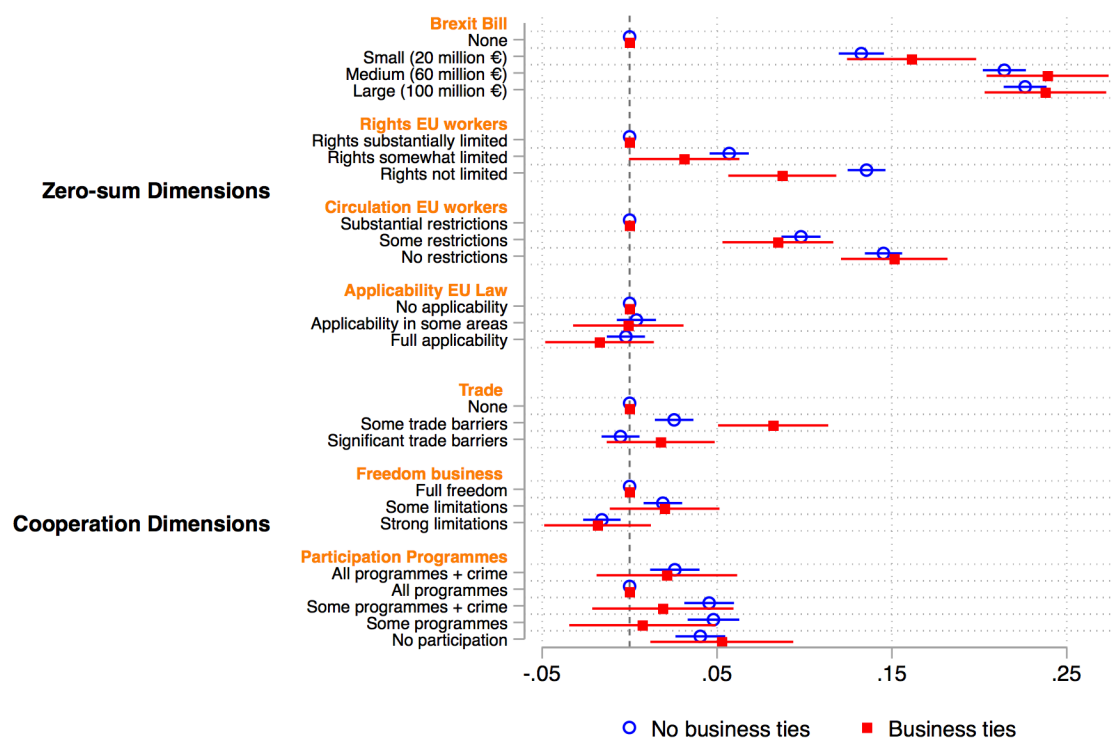
Note : The figure shows marginal effects conditional on declaring to have relatives or friends living in the UK. 90% confidence intervals.

Figure A.3: Brexit choices by income



Note : The figure shows marginal effects conditional on being a low income citizen (first decile) or high income citizen (tenth decile). 90% confidence intervals.

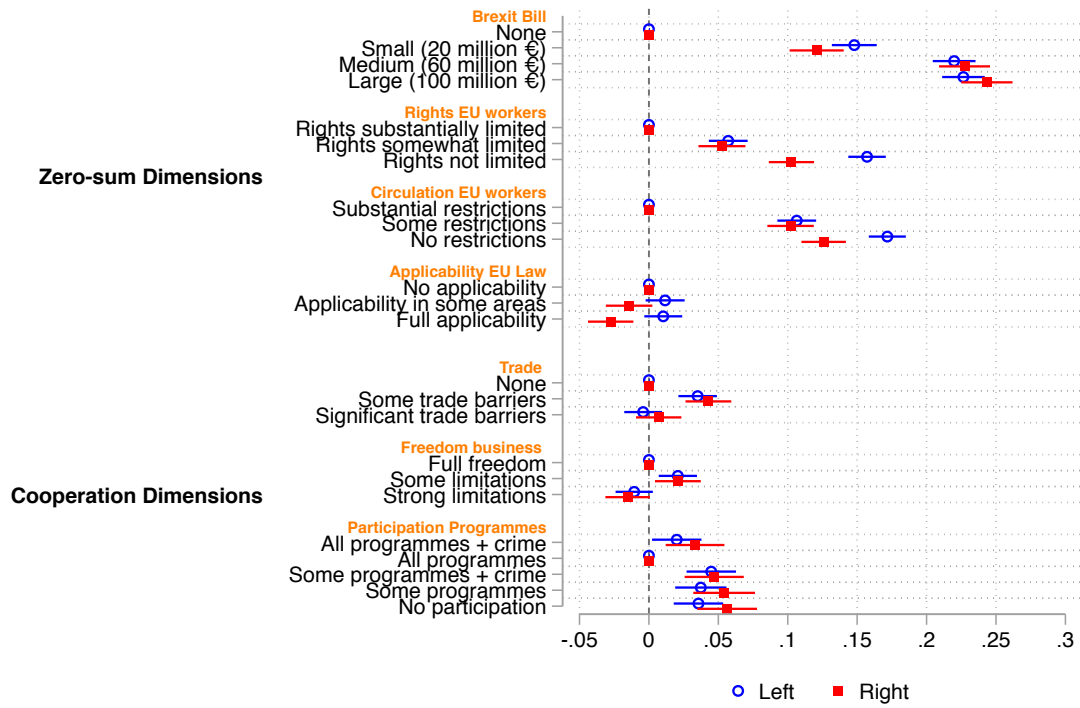
Figure A.4: Brexit choices by business ties with the UK



Note : The figure shows marginal effects conditional on having business ties with the United Kingdom. 90% confidence intervals.

Figure A.5 shows the results by ideology. We find that leftwing individuals, which in both countries they tend to be more pro-European, accommodate less the demands of the UK in the zero-sum issues.

Figure A.5: Brexit choices by ideology



Finally, in figure A.6 we show how the accommodation dilemma changes for EU citizens when they have a strong perception that Brexit involves costs for their own country. We have shown that Europhiles take a hard stance across all dimensions, both the zero-sum type and the cooperation type. We have argued above that the hard negotiation position of these citizens is to protect the EU from more countries trying to leave in the future. In this regard, EU supporters should have very low incentives to accommodate the British demands on Brexit, even when they involve losing cooperation gains. In the figure, however, we show that this position in favor of hard terms in the Brexit deal is not fixed. We show that negative expectations about the impact of Brexit can actually give incentives to Europhiles to accommodate British demands. In particular with regards to trade, negative expectations can revert the hard Brexit position and move Europhiles towards a more accommodative position.

Figure A.6: Accommodation dilemma. Brexit choices of EU supporters by perception of economic impact of Brexit

